

LEGAL NOTICE

STATE OF LOUISIANA, OFFICE OF CONSERVATION, BATON ROUGE, LOUISIANA.

In accordance with the laws of the State of Louisiana, and with particular reference to the provisions of Title 30 of Louisiana Revised Statutes of 1950, a public hearing will be held in the Hearing Room, 1st Floor, LaSalle Building, 617 North 3rd Street, Baton Rouge, Louisiana, at 9:00 a.m., on **TUESDAY, MARCH 16, 2004**, upon the application of **PINNACLE OPERATING COMPANY, INC.**

At such hearing the Commissioner of Conservation will consider evidence relative to the issuance of an Order pertaining to the following matters relating to the **James Formation, Reservoir B**, in the Benson Field, DeSoto and Sabine Parishes, Louisiana.

1. To create one (1) additional drilling and production unit to be designate as JAMES RB SUK for the exploration for and production of gas and condensate from horizontal wells drilled to the James Formation, Reservoir B, as shown on the plat submitted with the application.
2. To force pool and integrate all separately owned tracts, mineral leases and other property interests within each of the proposed units, with each tract sharing in unit production on a surface acreage basis of participation.
3. To designate Pinnacle Operating Company, Inc. as operator of the unit to be created hereby.
4. To provide that special field spacing rules should be adopted for future horizontal wells drilled on the unit created herein which would provide: (a) that the penetration point and terminus of any lateral of any such horizontal well in the James Formation, Reservoir B, should be located no closer than 300 feet to any unit boundary; (b) that the average distance between the productive portion of any lateral and those unit boundaries which run generally parallel to the direction in which the laterals are drilled shall not be less than 1,000 feet; (c) that the distance from any point along the productive portion of any lateral and those unit boundaries which run generally parallel to the direction in which the laterals are drilled shall not be less than 660 feet and (d) that there be no well spacing limitations between wells other than that accomplished by application of the aforestated provisions.
5. To provide that the gas allowable provisions of Statewide Order No. 29-F, LAC 43:XIX.2101, et seq., should not apply to any horizontal wells drilled to the James Formation, Reservoir B, within the unit created hereby, but that all such wells should be given an allowable based on the maximum efficient rate (MER) of the well, being the maximum sustainable daily withdrawal rate from the reservoir which will permit economical development and reservoir depletion without causing wastes.
6. Except to the extent inconsistent herewith, to provide that the applicable provisions of 496-D Series of Office of Conservation Orders, shall apply to the unit created herein.
7. To consider such other matters as may be pertinent.

The James Formation, Reservoir B, in the Benson Field, DeSoto and Sabine Parishes, Louisiana, was fully defined in Office of Conservation Order No. 496-D, effective April 1, 1980.

BENSON FIELD
04-249

A plat is available for inspection in the Office of Conservation in **Baton Rouge** and **Shreveport**, Louisiana.

www.dnr.state.la.us/CONS/CONSEREN/hearings/pubhearings.htm.

All parties having interest therein shall take notice thereof.

BY ORDER OF:

JAMES H. WELSH
COMMISSIONER OF CONSERVATION

Baton Rouge, La

2/6/04;2/11/04

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**IF ACCOMMODATIONS ARE REQUIRED UNDER AMERICANS WITH
DISABILITIES ACT, PLEASE ADVISE THE OFFICE OF CONSERVATION
- ENGINEERING DIVISION AT P. O. BOX 94275, BATON ROUGE, LA
70804-9275 IN WRITING WITHIN TEN (10) WORKING DAYS OF THE
HEARING DATE.**